GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2912
ANSWERED ON:15.03.2001
PRICING MECHANISM OF NAPHTHA
AJAY CHAKRABORTY;ALE NARENDRA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government of Andhra Pradesh has urged the Union Government to give a fresh look to the pricing mechanism of Naphtha;

(b) if so, the details thereof;

(c) the reaction of the Union Government thereto and the realistic approach followed in arriving at price of Naphtha without reference to import parity pricing;

(d) the price per MT of Naphtha during the last three years, year-wise; and

(e) the quantity of Naphtha imported every year during the last three years and its price thereof?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Yes, Sir. It has been suggested that the pricing mechanism of Naphtha may be given a fresh look and a realistic approach may be adopted to arrive at the price of Naphtha without referring to import parity pricing.

(c): As the domestic refineries pay tariff adjusted import price for their raw material crude oil, the oil companies are pricing Naphtha on the principle of import parity. The Government have advised the oil marketing companies to match the price of domestic Naphtha with imported Naphtha before State taxes and local levies.

(d): The ex-storage point prices of Naphtha during the last three years are given below:

Period	Price Range(Rs./MT)
1998-99	6,250 - 7,475
1999-2000	7,100 - 12,940
April,2000-February,2001	10,860 - 15,960

(e): The quantity of Naphtha imported by Indian Oil Corporation during the period 1998-99,1999-2000 and April, 2000-January, 2001, and average prices are as follows:-

Period	Qty. (MMT)+	Average Price ($ per MT)
1998-99	0.168	133.17
1999-2000	0.241	238.64
(April, 2000-January, 2001)	0.287	279.37

+ (MMT - million metric tonne)